

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1422-02
Bill No.: HB 689
Subject: Fire Protection Districts: Sales Tax
Type: Original
Date: February 20, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$29,299) to Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> State Funds	(\$29,299) to Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*** This proposal would require voter approval before fiscal impact would be realized by the State or Fire Protection Districts.**

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** stated they would be required to credit a shape file on the MITS mainframe sales tax system for the boundaries of the fire districts. The creation of the shape file would require ongoing maintenance as the district grows and expands. In order to provide numbers to calculate the property tax reduction MITS would need to track the sales tax generated from each of the fire district's sales tax. DOR would need 727 hours of programming at a total cost of \$24,569, and Data Center cost of \$4,730.

Oversight assumes that the Department of Revenue would realize income from a 1% collection fee of the sales tax. The amount of revenues are indeterminable and will be shown as unknown. The income from the collection fee would be deposited in the State's General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Income</u> to Department of Revenue from 1% collection fee	Unknown	Unknown	Unknown
<u>Cost</u> to Department of Revenue for sales tax collection	<u>(\$29,299)</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net Effect to General Revenue Fund *	<u>(\$29,299) to Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

*** This proposal would require voter approval before any fiscal impact would be realized by the State or by Fire Protection Districts.**

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

FIRE PROTECTION DISTRICTS

Income to Fire Protection District
 from voter approved sales tax

Unknown

Unknown

Unknown

Loss to Fire Protection District
 from property tax reduction of an amount
 equal to one-half of the total amount of
 sales tax revenue collected annually.

(Unknown)

(Unknown)

(Unknown)

**Estimated Net Effect to Local
 Governments ***

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

*** This proposal would require voter approval before fiscal impact would be realized by
 Fire Protection Districts.**

FISCAL IMPACT - Small Business

Small business located in a fire protection district that would receive voter approval to impose a sales tax would realize a reduction in the property tax for the district and would have the new duty of sales tax collection and administration and would pay the sales tax.

DESCRIPTION

This bill allows a fire protection district that provides emergency service to a redevelopment project in a redevelopment area to impose a retail sales tax of up to one-half of 1% on all sales made in the district, upon voter approval. If a sales tax is approved, it must coincide with a reduction in property taxes equal to 50% of the amount of sales taxes collected. No fire protection district authorized to impose a sales tax by the bill which has not imposed a sales tax prior to August 28, 2000, may impose any new sales tax for fire protection other than the sales tax authorized by the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue

NOT RESPONDING

The Fire Protection Districts of : St. Charles County, Eureka, Logan-Rogersville, Chesterfield, Mehlville, Le May, and Raytown

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
February 20, 2001